

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2433 - SB 2368

February 9, 2016

**SUMMARY OF BILL:** Establishes the *Physical Therapy Licensure Compact* (Compact) for the purpose of allowing physical therapy personnel, including physical therapists and physical therapist assistants to hold a multistate license offering a “compact privilege” or authorization for such personnel to practice out of their primary state of residence, or “home state” and in any Compact “remote state” without having to attain additional licensure. The state, other than an individual’s home state and in which the individual is practicing is called a “remote state.” Any state that has accepted this Compact is a “member state.” Establishes that a home state license shall authorize an individual to practice in a remote state under the privilege to practice if the home state meets certain requirements of this Compact, including, but not limited to: participation in the Compact’s data system; having a mechanism in place for receiving and investigating complaints; compliance with rules of the Commission; utilization of the Federal Bureau of Investigation (FBI) background check to make licensure decisions; utilization of a recognized national examination as a requirement for licensure.

Establishes the Physical Therapy Compact Commission. Each member state shall have one delegate to represent the state in the Compact. The Commission shall meet at least once per calendar year. Requires the Commission to promulgate rules to carry out the purposes of this Compact. All member states must comply with the rules of the Commission. The Commission is required to develop and maintain a database containing information of individuals that hold a license to practice in member states. Member states are required to submit information of licensees from each home state to which the Compact is applicable. The Commission may: hire employees; enter into contracts; accept donations and grants; lease sell, convey, mortgage, abandon or dispose of property. The Commission is authorized to levy an assessment fee on each member state or impose fees on other parties to cover the cost of operations and activities of the Commission and its staff. Member states may charge a fee to licensees for granting a compact privilege.

The provisions of this Compact shall come into effect on the date on which the compact statute is enacted into law in the tenth member state.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact - The Board of Physical Therapy is required to be self-supporting. As a result, any substantial increase in expenditures occurring pursuant to paying assessment fees to join the Compact may result in a subsequent increase in licensure fees in order to offset any increased**

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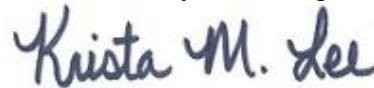
**expenditures. The Board had a cumulative reserve balance of \$305,258 on June 30, 2015.**

Assumptions:

- The Board of Physical Therapy will ensure that general licensure requirements meet or exceed the requirements of the Compact in order to avoid requiring duplicate licensure.
- Currently, in addition to any other fees applicable to licensees of the Board of Physical Therapy, a license for reciprocity may be attained by meeting all applicable requirements and paying the \$100 fee.
- A reciprocity license allows a person with a physical therapy license in a state other than Tennessee to practice physical therapy in Tennessee; provided, the requirements of the home state's licensure must meet or exceed Tennessee licensure requirements.
- This legislation will allow licensees to purchase a license granting compact privilege, thereby granting privileges similar to that of the current reciprocity license.
- Any decrease in revenue which results from a decrease in the number of reciprocity licensees will be offset by an increase in licenses granting compact privilege.
- The proposed legislation requires that member states fully implement a criminal background check performed by the Federal Bureau of Investigation (FBI). Currently, pursuant to rule 1150-01-.05(i) of the Board of Physical Therapy, applicants of licensure are required to submit to a criminal background check from the Tennessee Bureau of Investigation (TBI) and the FBI; therefore, this will not affect the current requirements of the Board.
- This legislation will result in the Board being required to pay an assessment fee which, in conjunction with other member states, will cover the operational costs of the Physical Therapy Compact Commission.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over any two-year period. The Board of Physical Therapy had surpluses of \$97,944 in FY13-14, \$138,299 in FY14-15, and a cumulative reserve balance of \$305,258 on June 30, 2015.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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